



**STATEMENT OF PROCEEDINGS FOR THE REGULAR
MEETING OF THE
LOS ANGELES COUNTY AUDIT COMMITTEE**

**KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 525
LOS ANGELES, CALIFORNIA 90012**

Thursday, April 21, 2011

10:30 AM

Present: Vice Chair Genie Chough, Member Louisa Ollague, Member Dorinne Jordan. The following Members arrived after a quorum was established: Chair Lori Glasgow, Member Lisa Mandel, Member Helen Berberian and Member Springsong Cooper

Absent: Member Carl Gallucci

Call to Order (11-1840)

The meeting was called to order by Vice Chair Genie Chough at 10:37 a.m.

I. ADMINISTRATIVE MATTER

1. Recommendation to approve the March 17, 2011 meeting minutes. (11-1353)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

II. BOARD POLICIES

2. Recommendation to approve amendments and extension of the sunset review date for Board Policy No. 5.020 - Reporting Requirement For Bids/Contracts Over \$10,000 (4/8/11). (11-1837)

Gerald Plummer of Internal Services Department (ISD) informed the Committee that the Office of Small Business at one time was under the jurisdiction of the Community Development Commission, the revision now accurately reflects ISD as the responsible department.

On motion of Louisa Ollague, seconded by Lori Glasgow, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)

III. OLD BUSINESS

3. Proposed Fiscal Year 2010-2011 Audit Plan (2/11/11) (Continued from meetings of 10/21/10, 11/18/10, 1/20/11, 2/17/11 and 3/17/11). (10-2606)

Jim Schneiderman, A-C provided clarification of discretionary and non-discretionary audits.

On motion of Lori Glasgow, seconded by Genie Chough, this item was approved.

Attachments: [SUPPORTING DOCUMENT](#)
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4. Department of Parks and Recreation - Audits of Golf Course and Recreation Area Revenue Agreements (3/14/11) (Continued from meetings of 2/17/11 and 3/17/11). (11-0854)

Russ Guiney, Director of Parks and Recreation was present to discuss this item and was asked to report back at the next meeting and provide corrective action plans, program revenue fees, and impact on number of participants. Committee directed staff to invite District Park Deputies to the next meeting.

By common consent, there being no objection, this item was continued to May 19, 2011.

Attachments: [SUPPORTING DOCUMENT](#)
[SUPPORTING DOCUMENT](#)

5. Review of the Operating Costs Billed to the County for 1000 South Fremont Avenue, Alhambra (Lease No. 72576) (2/17/11) (Continued from meeting of 3/17/11). (11-1165)

Jim Schneiderman, A-C reported the CEO is working with the landlord to renegotiate the terms of the lease. Currently, there is no timeline for completion.

By common consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

IV. REPORTS

6. Los Angeles County Office of Education Contract Review - A Department of Public Social Services General Relief Opportunities for Work Program Provider (3/11/11). (11-1286)

Aggie Alonso, A-C reported Los Angeles County Office of Education (LACOE) stated they had obtained all background clearances subsequent to their follow-up. Auditor Controller will confirm all background clearances are complete.

By common consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

7. Department Of Health Services - Physician Services For Indigents Program (PSIP) (Board Agenda Item 17, February 16, 2010) (3/11/11). (11-1309)

By common consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

8. Los Angeles Urban League - Pomona Contract Review - A Community and Senior Services Workforce Investment Act Program Provider (3/17/11). (11-1349)

Don Chadwick of the Auditor-Controller's Office reported that Community and Senior Services (CSS) sent out a notice to the contractor in March asking them to provide a corrective action plan (CAP). The CAP is due back to CSS at the end of April. CSS will be available at the next meeting to report the audit findings. At the request of Louisa Ollague, Mr. Chadwick will follow up with Los Angeles County Office of Education (LACOE) and inquire about their head start audit to advise CSS of their findings and be more critical of Urban Leagues' corrective action plan based on their repeat findings.

By common consent, there being no objection, this item was continued to May 19, 2011.

Attachments: [SUPPORTING DOCUMENT](#)

9. St. Francis Medical Center Contract Review - A Department of Mental Health Service Provider (3/17/11). (11-1351)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

10. Office of the Assessor - Payroll/Personnel Review (3/21/11). (11-1407)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

11. 2009-2010 County's Single Audit Report (3/31/11). (11-1865)

Connie Yee of the Auditor-Controller's Accounting Division provided a brief summary of the annual single audit and reported \$2.9 billion in federal expenditures; \$200 million was related to the American Recovery Reinvestment Act for Fiscal Year 2009-2010. Ms. Yee also responded to questions posed by Louisa Ollague regarding protocols for repeat findings and corrective action plans. Departments that are not found in compliance with the corrective action plans are placed on the following year's list of Prior Year's Findings.

David Livingston of Macias Gini & O'Connell LLP responded to Louisa Ollague's inquiry relating to risky departments. Any department with findings or that have been placed on the Prior Year's Findings List are considered risky and the A-C will continue to work with those departments until the findings are corrected.

By common consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

12. Audit Of The Los Angeles County Flood Control District For The Year Ended June 30, 2010 (4/1/11). (11-1821)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

13. LAC+USC Medical Center Affiliation Agreement with the University of Southern California (4/5/11). (11-1826)

By common consent, there being no objection, this item was referred to Health Deputies.

Attachments: [SUPPORTING DOCUMENT](#)

14. Third Follow-Up Review of County Counsel Litigation Cost Management (4/6/11). (11-1834)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

15. Kedren Community Mental Health Center Contract Review - A Department of Mental Health Service Provider (4/7/11). (11-1835)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received.

Attachments: [SUPPORTING DOCUMENT](#)

16. International Institute of Los Angeles Contract Review - A Department of Public Social Services Refugee Employment Program Provider (4/12/11). (11-1879)

Aggie Alonso, A-C, reported the contractor refuted the findings however they have submitted a response. A-C will continue to work with DPSS and follow up to ensure recommendations are met.

By common consent, there being no objection, the item was continued to May 19, 2011.

Attachments: [SUPPORTING DOCUMENT](#)

17. Department of Parks and Recreation Revenue Agreement Audits (4/14/11). (11-1900)

Russ Guiney, Director of Parks and Recreation was present to discuss this item and was asked to report back at the next meeting and provide corrective action plans, program fees, and impact on number of participants.

By common consent, there being no objection, this item was continued to May 19, 2011.

Attachments: [SUPPORTING DOCUMENT](#)

18. Sheriff's Department - Inmate Welfare Fund Financial/Compliance Audit (4/14/11). (11-1921)

On motion of Dorinne Jordan, seconded by Louisa Ollague, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

19. Controls over Departmental Trust Funds, Revolving Funds, Commitment Encumbrances and Accounts Payable (4/15/11). (11-1915)

Jim Schneiderman, A-C reported that a summary of the control issues were forwarded to all Department Heads and are also included in the County Fiscal Manual. In addition, a reminder will be given at the next cluster forum.

By common consent, there being no objection, this item was received and filed.

Attachments: [SUPPORTING DOCUMENT](#)

V. DISCUSSION ITEMS

20. Fiscal Year 2010-2011 Cash Flow Projection. (11-1350)

John Naimo of the Auditor-Controller's Office reported a projected year end cash balance of positive \$50 million. This amount is expected to grow by June. Expenses are staying within or slightly under projection and continue to remain under control. There are no new reserves to consider this year, however there may be minor amounts associated with Mental Health and Public Health since the State is slow in paying for programs. At the request of Genie Chough, Mr. Naimo will provide the Committee with an annual chart that would reflect the final cash flow amount per year.

Attachments: [SUPPORTING DOCUMENT](#)

21. Status of Board Policy to Require Specific County Contract Language (1/11/11). (11-0395)

Don Chadwick, A-C continues working with departments on the new policy to develop language to include provisions that will allow recovery of questioned costs. Departments will be responsible for working with County Counsel and ensuring contracts contain the appropriate

language, tailored to their funding source requirements.

Louisa Ollague provided A-C staff a handout called "Out of Order" distributed by SEIU that addresses contracts.

Jim Schneiderman, A-C added they are currently researching ways other counties address executive compensation. The policy will be on the Board's agenda in May, A-C will report back to the Committee regarding AltaMed at the next meeting on May 19, 2011.

Attachments: [SUPPORTING DOCUMENT](#)

22. DCFS - Presentation on Steps Taken to Identify Prospective Contractors/Officers with a History of Serious Performance Deficiencies/Fiscal Improprieties. (11-1878)

Cynthia McCoy Miller, Administrative Deputy for the Department of the Children and Family Services (DCFS) provided an overview on the process used to screen Principals and Directors for agencies when renewing contracts or making amendments. DCFS uses two databases for screening as part of the solicitation process.

Don Chadwick, A-C reported that the CARD System is scheduled for implementation in July, each department will be responsible for data entry and they are working with ISD to change the contract language. Contractors will be notified of the CARD System during the solicitation process and will be required to disclose the name of the primary officer.

Aggie Alonso, A-C advised they are working with DCFS in addressing decertification to identify individuals and agencies that become decertified then move to another agency.

At the request of Lisa Mandel, DCFS will report back at the next DCFS Special Audit Meeting on June 1, 2011, on the progress of dealing with decertification, the CARD System, and the status of the new policy relating to Senate Bill 84 Regulations.

23. Pending Audits/Monitoring Reports (11-1180)

There was no report given.

VI. MISCELLANEOUS**24. HIPPA Compliance (11-1838)**

HIPPA Compliance - The A-C will prepare an annual report to the Board that will also be included on the Audit Committee's Agenda. Information with regard to specific major breaches will be discussed at the Health Cluster Meeting.

25. Public Comment (11-1182)

No members of the public addressed the Committee.

26. Adjournment (11-1839)

There being no further business to discuss, the meeting adjourned at 12:11 p.m.